

## Focus Area 1 Contribute to Decarbonized/Recycling-oriented Society

### Material Issues Contribute to decarbonized society

Work to reduce greenhouse gas (CO<sub>2</sub>) emissions including those from supply chains, improve energy efficiency, and create business opportunities to address climate change and realize a decarbonized society.

The LOGISTEED Group recognizes that reduction of CO<sub>2</sub> emissions in the logistics domain will have an impact on the realization of carbon neutrality, and therefore it is important to work to reduce CO<sub>2</sub> emissions and environmental load not only in the LOGISTEED Group but also in the supply chains of our customers. Based on this idea, to "provide logistics/services with less environmental load" as set forth in our environmental policy, we are striving to reduce the environmental load and provide new environmental value through our business activities, e.g., development of services that contribute to the reduction of CO<sub>2</sub> emissions including Scope 3 emissions from our customers, in addition to ongoing initiatives such as modal shift and collaborative logistics.

### Initiatives to Reduce CO<sub>2</sub> Emissions

To contribute to the realization of a sustainable society, the LOGISTEED Group is advancing initiatives to reduce CO<sub>2</sub> emissions.



#### ● Energy Saving

To improve energy efficiency, we are implementing energy saving initiatives such as introducing LED lighting in logistics centers and offices, introducing lithium-ion

batteries in forklifts, and using motion sensor light, and also promoting modal shift and joint delivery, etc.

#### ● Electrification

In order to reduce environmental load of transport, we are introducing electric vehicles and fuel cell vehicles closely

monitoring market trends. In FY2024, we replaced 9 commercial vehicles with passenger electric vehicles.

#### ● Procurement of Renewable Energy

##### Renewable Energy

During FY2024, we completed the transition to renewable energy at nine additional business sites, bringing the total number of sites using renewable energy to 97. Of these, 28 sites achieved zero CO<sub>2</sub> emissions through the implementation of 100%

renewable energy plans. Additionally, 14.3% of Scope 2 emissions by domestic LOGISTEED Group companies was offset by non-fossil fuel energy certificates. Specifically, a number of sites, including our headquarters, have achieved effective net-zero CO<sub>2</sub> emissions by offsetting with non-fossil fuel energy certificates.

#### ● Energy Creation

We are installing solar panels on the roofs of our logistics centers. In FY2024, we installed new solar panels on the roofs of logistics centers in Kyoto, Osaka, Hiroshima, and

elsewhere. We are also actively pursuing initiatives to install solar panels under the PPA\* scheme.

\*PPA: Power Purchase Agreement

#### ● Initiatives to Set CO<sub>2</sub> Emission Reduction Targets throughout the Supply Chain

To set CO<sub>2</sub> emission (including Scope 3) reduction targets throughout the supply chain, we have been building a system to calculate and visualize emissions with higher accuracy. In FY2024, we began implementing monthly

tracking of Scope 1 and Scope 2 CO<sub>2</sub> emissions at overseas sites, in line with our domestic practices. The development of a system that would enable tracking of Scope 3 emissions at overseas sites is also under review.

### Contribution to Decarbonization in Customers' Supply Chain

#### ● Support Customers' Decarbonization through the Provision of EcoLogiPortal

As part of "SCDOS," our DX service to support optimization of customers' supply chain, we offer CO<sub>2</sub> emission visualization function "EcoLogiPortal" from FY2021. This service enables customers to accurately measure and visualize CO<sub>2</sub> emissions and reduction in the supply chain by centrally managing and monitoring their various data, which has received conformity

assessment by a third-party organization. To strengthen customer engagement in FY2024, we published a service case study compendium and delivered a broad range of tailored proposals. These efforts were made to support both domestic and international clients in visualizing and reducing CO<sub>2</sub> emissions within their logistics operations.

"EcoLogiPortal" Collaborates with ASUENE ~ Supporting Corporate Decarbonization Management with CO<sub>2</sub> Emission Visualization Solutions ~ For details, please visit our website. <https://www.logisteed.com/en/news/news-release/202411261533/>

#### ● Internal Carbon Pricing(ICP)

In FY2024, building on the internal carbon price of ¥10,000 per t-CO<sub>2</sub> set in FY2022, we explored further decarbonization initiatives by evaluating additional

measures, including the potential implementation of internal carbon pricing (Internal Fee) for emissions reduction.

### Material Issues Contribute to Recycling Oriented Society

Work to reduce/avoid resource use, prevent environmental pollution, and create business opportunities to contribute to a recycling-oriented society

By setting "reduction of environmental load" as one of its environmental action plans, the LOGISTEED Group aims to contribute to recycling oriented society by promoting initiatives for resource recycling and waste control with an awareness of symbiosis with nature as well as preservation of biodiversity and ecosystem.

### Waste Control and Effective Use of Resources

#### ● Setting and achievement of recycling targets

To ensure that waste generated in our business activities is recycled as much as possible, we are actively promoting measures to control waste emissions and reduce the amount of landfill disposal throughout the LOGISTEED Group with an aim to maintain and improve the recycling rate.



#### ● Overseas waste control initiatives

Mars Logistics Group Inc. (hereafter, Mars), a group company, acquired the "Zero Waste Certificate." This is a certificate issued by the Ministry of the Environment in Turkey to organizations that have actively implemented waste reduction initiatives, disclosed results, and undergone third-party audits to verify their efforts. This certificate was acquired at four sites operated by Mars in

FY2024, with plans to acquire certification at a further eight sites in FY2025.



#### ● Reduce Resource Use in Packaging Design

We are working to improve packaging technology and reduce environmental load in packaging design including reduction of packaging-related materials and wastes while meeting customer needs. In FY2024, at the Japan Packaging Contest hosted by the Japan Packaging Institute, our "recyclable hybrid pallets with a load capacity of 1 ton" received the Logistics Award, while the "decks for stacking cargo with detachable stanchions" and the "wooden boxes with ramps for small electron microscopes" received Transport Packaging Awards. In the case of the "decks for stacking cargo with detachable stanchions," adopting a simple structural design helped reduce costs, and reduce the number of vehicles by 40% and CO<sub>2</sub> emissions by 45%.

Award-winning Case/Award Titles	Main Effect
Recyclable hybrid pallets with a load capacity of 1 ton/ Logistics Award	<ul style="list-style-type: none"> <li>Reduced cost and weight compared to steel pallets (9kg)</li> <li>Easy separation for greater recyclability, etc.</li> </ul>
Decks for stacking cargo with detachable stanchions/ Transport Packaging Award	<ul style="list-style-type: none"> <li>No. of vehicles: down 40%</li> <li>CO<sub>2</sub> emissions: down 45%, etc.</li> </ul>
Wooden boxes with ramps for small electron microscopes/Transport Packaging Award	<ul style="list-style-type: none"> <li>Streamlines unloading by eliminating the need for handling equipment</li> <li>Improved safety</li> </ul>

For details on the three awards received at the 2024 Japan Packaging Contest, please visit our website.

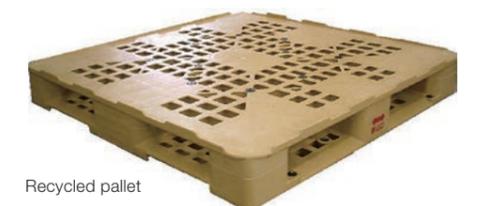
<https://www.logisteed.com/en/news/news-release/202408291221/>

### Circular Economy Initiatives

#### ● Recycling scheme for plastic waste pallets

PALENET CO., LTD., a group company specializing in the sale and rental of plastic pallets, promotes circular resource use by providing damaged, unusable returned pallets, rather than disposing of them, to a plastic pallet manufacturer in which the company holds an equity stake. The provided plastic pallets undergo cleaning and crushing processes before being recycled as raw material for new pallets. These regenerated pallets are then reintroduced into PALENET CO., LTD.'s rental pallet operations. Through this initiative, over 20,000 used plastic pallets are recycled annually, reducing the use of new plastic

materials. This helps reduce our environmental impact and facilitates the continued provision of sustainable logistics services.



Recycled pallet